

Draft *Lottery and Gaming Regulations 2007*
Final Consultation Document

October 2007



Government of South Australia

Department of Treasury
and Finance

Table of Contents

Glossary	2
1 Introduction	3
2 Draft Regulations	4
3 Notice of Prohibited Goods and Services	10
4 Amending the <i>Lottery and Gaming Act 1936</i>.....	10
5 Next Steps.....	11

Glossary

Act	<i>Lottery and Gaming Act 1936.</i>
Approved Purpose	Purposes identified in Regulation 4 of the <i>Lottery and Gaming Regulations 1993</i> .
Bingo	Fundraiser Bingo authorised by a licence issued pursuant to Part 3 of the Regulations and subject to Bingo Rules (Regulation 21).
Calcutta Sweepstakes	A Non-Fundraiser lottery pursuant to an exemption (Part 2 of the Regulations) and Calcutta Sweepstakes Rules (Regulation 24).
Commissioner	The Liquor and Gambling Commissioner.
Exempt Bingo	Fundraiser Bingo conducted pursuant to an exemption (Part 2 of the Regulations) and Bingo Rules (Regulation 21).
IGA	Independent Gambling Authority established by the <i>Independent Gambling Authority Act 1995</i>
Initial Review Paper	<i>Review of the Lottery and Gaming Regulations 1993</i> released in October 2005.
Instant Lottery	A Fundraiser lottery authorised by a licence issued pursuant to Part 3 of the Regulations and subject to Instant Lottery Rules (Regulation 22).
Fundraiser Lottery	A lottery or game where part proceeds are applied to an Approved Purpose.
Final Consultation Document	This report.
Minister	Minister for Gambling
Minor Lottery	A Fundraiser lottery conducted pursuant to an exemption (Part 2 of the Regulations) and Minor Lottery Rules (Regulation 19).
Minor Trade Promotion Lottery	A trade promotion lottery conducted pursuant to an exemption (Part 2 of the Regulations) and Trade Promotion Lottery Rules (Regulation 24A).
Major Lottery	A Fundraiser lottery authorised by a licence issued pursuant to Part 3 of the Regulations and subject to Major Lottery Rules (Regulation 20).
Non-Fundraiser	A lottery or game where the whole of the proceeds less administration constitute the prize(s).
Non-Fundraiser – Lottery	A lottery conducted pursuant to an exemption (Part 2 of the Regulations).
OLGC	Office of the Liquor and Gambling Commissioner established by the <i>Liquor Licensing Act 1997</i> .
Sweepstakes	A Fundraiser sweepstakes conducted to an exemption (Part 2 of the Regulations) and Sweepstakes Rules (Regulation 23).
Review	The Initial Review Paper and this Final Report.
Regulations	<i>Lottery and Gaming Regulations 1993</i> .
Rules	Rules under the <i>Lottery and Gaming Regulations 1993</i> .
Trade Promotion Lottery	A lottery conducted to promote a good or service and entry in the lottery is free (noting that entry maybe dependent on the purchase of a good or service and there are limits on postage and telephone costs). The lottery is authorised by licence issued pursuant to Part 3 of the Regulations and is subject to Trade Promotion Lottery Rules (Regulation 24A).

1 Introduction

On 21 August 2006 the *Final Report: Review of the Lottery and Gaming Regulations 1993* was released.

The Final Report outlined the rationale for the Government's policy position in relation to ten significant areas. They were:

- Licensing and Financial Limits
- Distribution of Proceeds
- Prohibited Products
- Streamlined Trade Promotion Licensing Procedures
- Simplified Bingo Rules
- Inducements
- Scope of Approved Purpose
- Age Restrictions
- Time Restrictions on Marketing
- Unclaimed Prize Draws

Further, the Final Report established policy positions in relation a number of other minor amendments. For full details about these policy positions and associated background information a copy of the Final Report can be downloaded from <http://www.treasury.sa.gov.au/gamblingpolicy>

The Government's policy position has guided the preparation of the new draft *Lottery and Gaming Regulations 2007* that will completely replace the *Lottery and Gaming Regulations 1993*. The draft regulations are provided as an attachment to this Final Consultation Document.

This Final Consultation Document records the status of each policy position in terms of the implementation, or otherwise in the attached draft regulations. The Final Consultation Document also includes discussion on:

- the notice of prohibited goods and services;
- amending the *Lottery and Gaming Act 1936*; and
- next steps.

2 Draft Regulations

Licensing and Financial Limits	
Policy Position	Comment
<p>Regulations be amended to increase the financial limit for:</p> <ul style="list-style-type: none"> • a Minor Lottery from \$2000 to \$5000 total prize value; • Exempt Bingo from \$200 to \$500 gross proceeds per session; • a Minor Trade Promotion Lottery from \$500 to \$5000 total prize value; and • Non-Fundraiser lotteries from \$1000 to \$2000 gross proceeds, noting there will be consequential amendments to Calcutta sweepstakes. 	<p>The draft regulations fully implement the policy position.</p> <p>To have terminology consistent with Minor Lottery and Minor Trade Promotion Lottery the term Minor Bingo has been adopted.</p> <p>The rules for Minor Bingo have been separated from the rules for Major Bingo.</p> <p>Licence Fees for Major Trade Promotion Lottery have been increased to maintain a revenue neutral position to Government given the change in the Minor Trade Promotion financial limits. See Schedule 3 of the Regulations.</p>
<p>Regulations be amended to:</p> <ul style="list-style-type: none"> • delete the licence application form schedules from the Regulations; • enable the Commissioner to prescribe a licence application form. 	<p>The draft regulations cannot fully implement this policy position.</p> <p>Forms contained in the schedule will be replaced with a list of information items required on the forms. OLGC will be able to create and accept forms that contain the minimum required information.</p>
<p>Regulations be amended to:</p> <ul style="list-style-type: none"> • enable the Commissioner to set conditions for the licence where the condition is not inconsistent with the Regulations. 	<p>The draft regulations cannot implement this policy position.</p> <p>The <i>Lottery and Gaming Act 1936</i> will need to be amended to enable the Commissioner to set conditions for the licence. See section 4 for more information about further reform of the <i>Lottery and Gaming Act 1936</i>.</p>
Distribution of Proceeds	
<p>Regulations be amended to:</p> <ul style="list-style-type: none"> • adopt common concepts of minimum prize distribution and minimum distribution to an Approved Purpose. This will eliminate a variety of different approaches adopted in the current Regulations and provide greater administrative flexibility to fundraising organisations; 	<p>The draft regulations fully implement the policy position.</p>

<ul style="list-style-type: none"> • set the minimum prize distribution at 20% of total face value or total gross proceeds for each class of lottery; • set the minimum distribution to an Approved Purpose at: <ul style="list-style-type: none"> • 10% of total gross proceeds for Instant lottery and Bingo; • 15% of total gross proceeds for a Minor Lottery; and • 35% of total gross proceeds for a Major Lottery and Sweepstakes. • delete rules that relate to the split of funds between administration, prizes and gifts/rewards. 	
<i>Prohibited Products for Trade Promotions and Prizes for Lotteries</i>	
<p>Regulations be amended to:</p> <ul style="list-style-type: none"> • extend the concept of disallowable goods and services to prizes in Trade Promotion and Fundraising Lotteries; • extend the list of disallowable goods and services to include: <ul style="list-style-type: none"> • cigarettes, cigars, tobacco or any other tobacco product; • firearms, other dangerous weapons or ammunition; and • invasive medical procedures. • replace current disallowable goods and services list in Regulations with a power for the Minister to issue a notice outlining criteria relating to prizes and the nature of the promotion. 	<p>The draft regulations fully implement the policy position.</p> <p>The concept of disallowable goods and services has been extended to the new advertising and inducements regulation that apply to the fundraiser lotteries.</p> <p>A copy of the proposed contents of the notice of prohibited goods and services is provided in section 3.</p>
<i>Streamline Trade Promotion Lottery Licensing Procedures</i>	
<p>Regulations be amended to:</p> <ul style="list-style-type: none"> • delete the Trade Promotion Lottery licence application form – schedule 4 of the Regulations; • enable the Commissioner to prescribe 	<p>The draft regulations cannot fully implement this policy position.</p> <p>Forms contained in the schedule will be replaced with a list of information items required on the forms. OLG will be able to accept forms, including forms from</p>

<p>a Trade Promotion Lottery licence application form;</p> <ul style="list-style-type: none"> • enable an applicant to submit the application and resulting permit from another jurisdiction to support an application in relation to: <ul style="list-style-type: none"> • details regarding instant tickets that require the approval of the Commissioner; • details regarding the system for drawing the trade promotion electronically that require approval of the Commissioner; and • details of scrutineers where approval of the Commissioner is required. 	<p>other jurisdictions, which contain the minimum required information.</p> <p>The regulations no longer require formal approval of instant tickets for trade promotion lotteries and scrutineers by the Minister as part of the application process.</p> <p>Rule relating to instant tickets and scrutineers still apply.</p>
<p>Regulations be amended to:</p> <ul style="list-style-type: none"> • impose licence and exemptions conditions on the applicant and trader to: <ul style="list-style-type: none"> • assist the Commissioner, as directed by the Commissioner, in any compliance audit; and • provide the Commissioner with supporting documents and materials as required. 	<p>The draft regulations fully implement the policy position.</p> <p>The policy position has been extended to include other lottery types.</p>
<p>Regulations be amended to:</p> <ul style="list-style-type: none"> • delete the requirement that applications must be submitted no earlier than 4 months before the commencement of the promotion; • amend the application time limits to 10 business days for a normal application and 5 business days for a fast-track application; • set the premium for a fast-track application at 100% of the normal application licence fee. 	<p>The draft regulations fully implement a fast-track option.</p>
<p>Regulations be amended to:</p> <ul style="list-style-type: none"> • require all advertisements to include details on how to get the full terms 	<p>The draft regulations fully implement the policy position.</p>

<p>and conditions if they are not included in the advertisement; and</p> <ul style="list-style-type: none"> • require a scrutineer at a Trade Promotion Lottery draw when the total value of the draw is greater than \$20 000. 	
<i>Simplify Bingo Rules</i>	
<p>Regulations be amended to:</p> <ul style="list-style-type: none"> • increase the maximum number of Bingo sessions per week by a licensee from two to three; • reduce the minimum time period for an interval between Bingo sessions from one hour to half an hour; • remove price limits on Bingo sheets; • allow an association to charge patrons for admission to a Bingo session. • remove the requirement to retain unsold Bingo sheets for a period of one year. 	<p>The draft regulations fully implement the policy position.</p>
<p>Regulations be amended to:</p> <ul style="list-style-type: none"> • remove the requirement that a Bingo sheet comprise 15 numbers; • replace the limit on a number of games per Bingo session with a maximum gross proceeds per session of \$9000 and a maximum length of session of 90 minutes; 	<p>The draft regulations partially implement the policy position.</p> <p>On advice from stakeholders the regulation will now be amended to require a Bingo sheet to comprise of at least 15 numbers and retain the existing 3 hour maximum length for a session.</p>
<p>Regulations be amended to:</p> <ul style="list-style-type: none"> • remove the regulation prescribing food and drink types or prices for light refreshments to Bingo patrons and recast it as an exception to Regulation 36 so that the nature of light refreshments and how they are priced are not specified; • remove the Rule relating to other refreshments noting that the existing Regulation 36 regarding inducements 	<p>The draft regulations partially implement the policy position.</p> <p>New regulations on advertising and inducements have been included in the regulations to give effect to the policy position that fund-raiser lotteries should be subject to similar provisions for advertising and inducements as commercial lottery and gaming providers.</p>

is sufficient; and	
Inducements	
<ul style="list-style-type: none"> • It is not proposed to amend the <i>Lottery and Gaming Regulations 1993</i> in relation to the subject of inducements for Bingo and Instant Lottery until after completion of the IGA Review. • It is proposed to make a consequential amendment to Major Lottery Rule (f) to give full effect to the removal of constraints on a Major Lottery in relation to gifts/rewards. 	<p>The implementation of this policy position has been brought forward and is addressed in the new advertising and inducements provisions in the draft regulations.</p> <p>The new advertising and inducements provisions will apply to all fundraising lotteries.</p>
Age Restrictions	
<p>Regulations be amended to:</p> <ul style="list-style-type: none"> • prohibit entry by person of an age in a Trade Promotion Lottery where the product being promoted or a prize available is not be available for sale to that person by virtue of the persons age; • prohibit the sale of an Instant Lottery ticket to a person under the age of 18; and • prohibit the participation of a person under the age of 18 in Bingo unless supervised by a responsible adult. 	<p>The draft regulations fully implement the policy position.</p>
Time Restrictions on Marketing	
<p>It is not proposed to amend the <i>Lottery and Gaming Regulations 1993</i> in relation to the restriction on times tickets can be marketed.</p>	<p>The draft regulations partially implement the policy position.</p> <p>The draft regulations remove the current lottery specific restrictions on door-to-door marketing and allow general provisions under the <i>Fair Trading Act</i> to regulate door-to-door marketing and telemarketing.</p> <p>The new advertising, which is consistent with codes of practice for commercial lottery and gaming providers, contain some restrictions on when fund-raiser lotteries can advertise.</p>

Unclaimed Prizes	
<p>Regulation be amended to:</p> <ul style="list-style-type: none"> • redraft the unclaimed prize regulation as a 'default' provision; and • provide the Commissioner with power to issue a licence subject to changes in the terms and conditions relating to unclaimed prizes if they are considered by the Commissioner to be unreasonable. 	<p>The draft regulations cannot fully implement this policy position.</p> <p>The Commissioner cannot issue a licence subject to changes. Instead the draft Regulations provide as a basis for refusing a licence application that the terms and conditions do not provide a reasonable opportunity to claim the prize.</p>
Minor Amendments	
<p>Regulations be amended to:</p> <ul style="list-style-type: none"> • remove the provision regarding the order of the draw for Major Lottery, Minor Lottery and Trade Promotion Lottery types; • eliminate the need for separate audited financial statements for each draw of Major and Minor Lotteries where there are multiple draws. • increase the Trade Promotion Lottery Rules threshold for notification of winners from \$100 to \$250; • make the Major Lottery Rules consistent with the Trade Promotion Lottery Rules so that ticket numbers are only required to be published for each winner of a prize in the lottery the with a value that exceeds \$250; • amend the Trade Promotion Lottery Rules so that if the trade promotion: <ul style="list-style-type: none"> • has been promoted only in particular newsletters, newspapers, magazines, or websites then the notification can be placed in the same newsletters, newspapers, magazines or websites instead of a newspaper circulating generally throughout the State; or • where entry into the Trade Promotion Lottery could only occur through a website then the 	<p>The draft regulations fully implement the policy position.</p> <p>In addition, the draft regulations:</p> <ul style="list-style-type: none"> • eliminate the need for licensed Instant Lottery Ticket suppliers to submit quarterly financial statements; and • clarify who can be scrutineer for major and trade promotion lotteries.

<p>notification can be placed on the same website instead of a newspaper circulating generally throughout the State.</p> <ul style="list-style-type: none"> • amend Regulations regarding the notification of prize-winners in a Lottery so that they are technology neutral; • amend Regulations regarding entries in a Lottery so that they are technology neutral; 	
<ul style="list-style-type: none"> • enable the Commissioner to vary or revoke any class of licence issued under the Regulations. 	<p>The draft regulations cannot implement this policy position.</p> <p>The <i>Lottery and Gaming Act 1936</i> will need to be amended to enable the Commissioner to set or vary conditions for the licence. See section 4 for more information about further reform of the <i>Lottery and Gaming Act 1936</i>.</p>

3 Notice of Prohibited Goods and Services

It is proposed that the notice to prohibit specified goods or services from being a prize in a lottery, offered as an inducement, or being promoted will specify the following:

- Tobacco products within the meaning of the *Tobacco Productions Regulation Act 1997*.
- Firearms, antique firearms and ammunition within the meaning of the *Firearms Act 1977*.
- Dangerous articles within the meaning of the *Summary Offences Act 1953*.
- Cosmetic surgery or other similar procedure with the main purpose of improving personal appearance.
- All goods and services that cannot legally be sold in South Australia, including but not limited to prohibited weapons within the meaning of the *Summary Offences Act 1953*.

Further it is proposed that the notice will prohibit the following goods or services in relation to being offered as an inducement:

- Liquor within the meaning of the *Liquor Licensing Act 1997*.

4 Amending the *Lottery and Gaming Act 1936*

The *Lottery and Gaming Act 1936* is an old piece of legislation that does not adequately provide for a regulatory framework for fundraiser and trade promotion lotteries.

Most of the items identified in part 2 of this Final Consultation Document as not being fully implemented, could not be implemented because of constraints in the *Lottery and Gaming Act 1936*.

The Department of Treasury and Finance will be preparing amendments to the *Lottery and Gaming Act 1936* in order to fully achieve the policy positions contained in the Final Report. It is anticipated that consultation drafts of the revised legislative and regulatory framework will be made available to the stakeholders in 2008.

5 Next Steps

The Department of Treasury and Finance would like to thank all stakeholders for their contribution towards and assistance in preparing this Review. The proposed next steps are:

- a six week consultation period (**closing on Friday 23 November**) on the draft regulations and proposed notice of prohibited goods and services.
- change the draft regulations, if necessary, on the basis of further submissions made by stakeholders;
- finalise the *Lottery and Gaming Regulations 2007* with an anticipated commencement in the first half of 2008.

If you have any comments on the draft regulations, insofar as they relate to the Government's policy position in the Final Report, you can contact the Department of Treasury and Finance by:

- e-mail: gamblingpolicy@saugov.sa.gov.au
- post: Gambling Policy
Department of Treasury and Finance
GPO Box 1045
Adelaide SA 5001

Additional copies of this Final Consultation Document and draft regulations can be downloaded from <http://www.treasury.sa.gov.au/gamblingpolicy>